

## Kānaka Anti-Displacement Fund

---

The goal of the Kānaka Anti-Displacement Fund is to prevent displacement of indigenous kānaka maoli from Maui and other areas in Hawai'i impacted by natural and human made disasters.

The Maui wildfire disaster temporarily displaced 271 kānaka (Native Hawaiian) homeowners from their land in Lahaina. Our people will need financial support and expertise to secure insurance claim monies and disaster assistance necessary to stay in place and rebuild. Unfortunately, kānaka may not have the funds to afford the costs of submitting a claim in the first place or to appeal insurance and FEMA denials. Without access to support and expertise, our people will be displaced from their homelands and potentially, from Hawai'i altogether.

The Fund has been established by Hawai'i Community Lending (HCL), a US Treasury certified native CDFI, to provide deferred payment loans and technical assistance for impacted kānaka homeowners to maximize their insurance and disaster assistance payouts to preserve their access to 'āina and rebuild.

The Fund's phase 1 objective is to first support the 102 'ohana in the Leiali'i homestead in preserving their stewardship and access to 'āina (land) on Maui. HCL's relationship with the Leiali'i 'ohana runs deep. We helped them get their mortgages to secure their place on the land in 2007 and 15 years later, we are here to make sure they stay on the land. In phase 2, HCL will seek to expand the Fund's reach to serve the remaining 169 kānaka homeowners who were impacted.

Under the Fund, HCL 'Ohana Advocates will first meet with homeowners to help them request a copy of their certified policy active on the date of the disaster from their insurance company. At the same time, the homeowner will be referred to various resources: 1) HCL loss mitigation specialists to obtain mortgage forbearances, modifications, or grants and loans to pay past due mortgage, HOA fees, property taxes, and utilities, 2) a Hawaiian Community Assets (HCA) HUD certified housing counselor to establish a crisis budget, 3) a trained FEMA application assistant to file for disaster assistance and appeal denials, and 4) a public insurance adjuster (PA) who will review homeowner policies to educate them on what is covered and create a documentation list needed for submission of an insurance claim. 'Ohana Advocates will help homeowners collect required documents and prepare an insurance claim. Homeowners may then retain the PA to act on their behalf to submit a claim and negotiate with their insurance company.

Once the insurance claim is submitted, the insurance company will acknowledge receipt of the claim and schedule a meeting with the PA (if retained) and homeowner for an on-site inspection of the damaged property. The inspection will require soil testing, an engineering assessment, and other third-party costs. The insurance company must respond within 14 business days after the inspection with an initial determination: 100% payout of the claim, partial payment, or denial.

Homeowners who receive a 100% payout will continue with an HCA HUD counselor to save the funds, obtain a mortgage prequalification, and be referred to HCL for technical assistance and financing to rebuild. Homeowners who receive a partial payment or denial will work with the PA to appeal the insurance company's decision. Throughout this process, the homeowner will work with their HCL loss mitigation specialist and trained FEMA application assistant for mortgage and disaster assistance needs while receiving support from their designated 'Ohana Advocate.

HCL will raise \$5 million in capital for the Fund's first phase to serve the first 102 kānaka homeowners with deferred payment loans for costs of the PA and other third-party costs required to secure and maximize their insurance claim payouts. Additional capital will be raised in phase 2 for the remaining 169 kānaka homeowners, depending on demand and investments. The average homeowner loan will be \$50,000 at 5% interest over a 3-year term. No monthly payments will be required. Principal and accrued interest will be paid off by the homeowner using their insurance claim monies, refinancing with an HCL debt consolidation loan, or with a permanent mortgage. Investors will make loans to HCL at an average of 2% interest over a 5-year term. Up to 10% of investor capital will be forgiven as a grant to HCL for defaulted loans. Investor principal will be pooled and paid out with interest annually on a pro rata share as funds are recaptured from homeowners.

An additional \$1.5 million in operations grants will be raised to cover the cost of administering the Fund over the next 5 years.

For more information, visit <https://hawaiicommunitylending.com/kadfund/>.